

InsideUPS

SUMMER 2014 | UPSers.com

2 Around UPS
CEO Scott Davis retires;
Management update; Helmets
for kids; Billing changes; Drones?

4 Business
Inspire. Engage. Act; Plus, how UPS
is helping transform an industry.

11 People
Alaska's first Circle of Honor driver;
the 2014 Casey award winner



Serving
America's **last**
frontier **11**

8 | A Conversation
with UPS's next
CEO **David Abney**

Management Changes Announced



New Chief Executive Officer Named

Effective September 1, **Scott Davis** will retire as Chief Executive Officer (CEO). He will retain his role as Chairman of the UPS Board of Directors.

"My decision to retire is, of course, bittersweet," says Scott. "UPS is an extraordinary company that has given me many wonderful experiences and introduced me to so many talented people." He has 29 years of service, with nearly seven of those years as CEO.

Under Scott's leadership, UPS has made significant improvements in its logistics network as the company has expanded its reach and capabilities through Europe, Asia, and the Americas.

Prior to assuming his current position in 2008, Scott was vice chairman and chief financial officer. He held a variety of other leadership positions at UPS before joining the UPS Management Committee in 2001. A native of Oregon, Scott began his UPS career in 1986 when the company acquired Oregon aviation technology company, II Morrow.

Chief Operating Officer (COO) **David Abney** was named as UPS's 11th CEO and joins the UPS Board of Directors. He began his UPS career in 1974 in Mississippi as a part-time employee loading and unloading packages. Prior to being named COO in 2007, David served as president, UPS International, joining the Management Committee in 2002.

Additionally, **Alan Gershenhorn** was named Chief Commercial Officer, a newly created executive vice president role. Alan will direct strategy, marketing, sales, product development, and customer experience activities, as well as coordinate key growth initiatives.

Above: Scott Davis (l) and David Abney await the announcement on June 6 to employees and media of Scott's retirement and David's promotion.

Read more about David Abney beginning on page 8; find more information on Scott, David, as well as UPS's previous CEOs and the Management Committee at [InsideUPS Online](http://InsideUPSOnline.com) at UPSers.com.

The UPS Management Committee

Two new members joined the UPS Management Committee. **Kate Gutmann** of the Corporate Sales group was named Senior Vice President, Worldwide Sales and Solutions. **Mitch Nichols** of UPS Airlines was named Senior Vice President, Transportation and Engineering.

Following David Abney, here are the nine additional members of the UPS Management Committee.



James Jay Barber, Jr.
President,
UPS International



Dave Barnes
Chief Information
Officer



Alan Gershenhorn
Chief Commercial
Officer



Kate Gutmann
Senior Vice President,
Worldwide Sales and
Solutions



Myron Gray
President,
U.S. Operations



Kurt Kuehn
Chief Financial
Officer



Teri Plummer McClure
Chief Legal,
Communications and
Compliance Officer



John McDevitt
Corporate Human
Resources and
Labor Relations
Group Manager



Mitch Nichols
Senior Vice President,
Transportation and
Engineering

ON THE COVER:

Ketchikan, Alaska's "first city" and among America's rainiest, now can claim it is the home of the state's first Circle of Honor driver. Read more on page 11.

InsideUPS is published for UPS employees and their families around the globe. Please send us your suggestions and comments. They should be addressed to:

InsideUPS Editor, UPS Communications Department, 55 Glenlake Parkway, NE, Building 1, Floor 4, Atlanta, GA 30328, USA, or via e-mail to employeecomm@ups.com. Be sure to include your name, job title and location, and shipping address.

Be sure to check out *InsideUPS Online* at UPSers.com: Our Company tab, Publications page. While there, follow the link to sign up for the Employee E-Mail Center to receive UPS communications updates.



(L-r.) Nguyen Thi Cam Chau, Pham Thi Khue Bich, Phan Thi Hong Nhung, and Vu Ngoc Tram

Helmets for Kids Program Saves a Life

A grant from The UPS Foundation to the Asia Injury Prevention (AIP) Foundation is funding the Helmets for Kids program in Cambodia, Thailand, and Vietnam. The organization donated more than 3,000 helmets to children in Ho Chi Minh City, Vietnam's District 12, where helmet usage is the lowest in the country. A helmet saved Kieu of Vietnam. She is pictured above with UPS volunteers. As a result of her helmet, Kieu's life was saved when the bike she was riding with her mother was involved in an accident.

Billing Changes for Small Package Shipments

UPS is changing when customers are billed for the **Print Return Label**, **Electronic Return Label**, **Web Return Label**, and the **Import Control Label's** accessorail fee. Rather than billing the fee when a label is created (and even if a return package is not sent), customers will now be billed only when a label is used to ship a return package. The fee also will be displayed on the same invoice as the return package's transportation charge. This will improve the customer experience and may lead to more UPS Returns usage among customers who previously had to pay for unused labels. This change is being made in all countries that offer these services.

Additionally, UPS announced in June that **dimensional weight** pricing will expand to all U.S.-origin packages—domestic ground and Standard to Canada—beginning December 29, 2014. The billable weight will be the greater of either the dimensional or actual weight of a package. UPS currently applies dimensional weight pricing to all air packages and to ground and Standard to Canada packages measuring three cubic feet in size or larger. The change more appropriately aligns rates with costs, which are influenced by both the size and weight of packages. Full details will appear in the 2015 *UPS Rate and Service Guide*.



Deliveries of the *Future*?

Several companies, including Amazon and DHL, have been in the news lately for testing the use of drones to make deliveries—and for now, the U.S. Federal Aviation Administration has grounded them. Recently, UPSers weighed in at UPSers.com.

"I think it is amazing what technology can do, but it is the human touch that makes the difference, always."

—**Daniel Lara Alvarez**
Americas Region—Mexico,
Customer Service

"Adapting this technology would be an answer to our remote and immediate deliveries, but it would also create more concerns such as safety."

—**Eugene Paul Gonora**
Asia Pacific Region—Philippines,
Business Development

"I love the idea. When perfected, it will streamline deliveries, especially during peak."

—**Amy Cherry**
U.S. West Region—South California District,
Hub and Feeder

Online Shoppers Growing More Demanding

To understand the preferences of today's retail consumer, UPS for the third consecutive year has worked with comScore to survey 5,800 U.S. online shoppers. The recent *UPS Pulse of the Online Shopper™* covers the path to purchase of today's "flex shoppers," who use their computers, smartphones, and tablets to pursue online and in-store retail channels to get the best deal.

For a more in-depth look at the results of the *UPS Pulse of the Online Shopper™*, visit ups.com/insideretail.

52%
want to see a return label
right in the box

68% say **FREE**
FREE RETURN
SHIPPING IS KEY
to a positive return experience

Online shoppers prefer
1 in 4
packages delivered
to locations other
than their home

Source: *UPS Pulse of the Online Shopper™* Study, 2014

Inspire. Engage.



Big Sur, California

"I want to recognize the efforts of all our people throughout the company," says incoming Chief Executive Officer David Abney. "We faced some tough challenges in 2013, and our people responded, really sacrificed, and did everything they could to make a difference."

What's possible

"The good news is, demand is out there," says Chief Financial Officer Kurt Kuehn, discussing how in the fourth quarter last year UPS faced the problem of having more business-to-consumer (B2C) package volume than it could handle in the United States. "More and more commerce is being processed and delivered through networks like ours. The big growth of B2C is a great tailwind for the company. But it also forces us to think and act differently."

"It's really easy to see the challenges as we're going through our day-to-day work. We might think that it's never been this tough. But the real challenges are finding the opportunities," David says. "And that's where I think we're doing a great job. You can look at the global B2C growth as a huge challenge. But it's an incredible opportunity. The same is true of the growth in emerging markets around the world."

Over the past year, the UPS Emerging Markets group analyzed 200 countries and narrowed the list to the countries that offer the best opportunity for UPS. The list

includes countries and key cities found within UPS's newest district—the Indian Subcontinent, Middle East, and Africa District (ISMEA)—as well as other markets in China, Latin America, and Vietnam.

David says another way UPS is opening up more possibilities for the future is by investing in technology, innovation, and ways to be more efficient. "We're retrofitting hubs with new technology, starting in California," he explains. "We just completed the expansion of our European Air Hub in Cologne, Germany, and we are opening new facilities." The new Laredo, Texas, facility allows UPS to reduce time in transit for customers in South Texas shipping to Mexico. Currently, 27 percent of drivers in the United States have the new miles-saving ORION technology implemented for their routes. That number is expected to rise significantly by the end of this year.

The courage to change

"At the end of the day, you're nothing in your industry without your people," says Captain Mike Abrashoff, who served as commander of the U.S.S. Benfold and was a guest at the 2014 UPS Management Conference. "You can order people around, but you can't order them to stay," he says. "My sailors are volunteers, just like your people are volunteers—and just like your customers are volunteers." Mike's advice to all UPSers is that instead of focusing on all of the things you may not have the

ACT.

Call these buzzwords, or a theme. But most importantly, consider them a call to action. It's up to every one of us to adapt and change UPS into a company of the future.

power to change—such as choosing a mission, influencing the budget, or selecting coworkers—focus on what you can do to make a difference, like communicating, listening, and building relationships.

Teri McClure, UPS's Chief Legal, Communications, and Compliance Officer, adds that it's everyone's responsibility to make sure there are no barriers or boundaries that prevent people from participating. "When we talk about engaging and inspiring others, I don't think we can really get to that point until we are sure that we are creating an environment of inclusion—one that allows everyone's voice to be heard, respected, and appreciated."

"Would you want your sons or daughters to come see you in action every day?" asks Mike. "If you'd be just the least bit embarrassed, change it."

The B2C boom

In the B2C world, focusing on customer needs means planning for and serving the needs of the merchant as well as the consumer. Different rules and regulations in each country outline how a delivery can or can't be handled. What works in the United States may not work for one reason in China and for a different reason in Europe. Further, the competition for delivering e-commerce orders in Europe is fierce.

"We've taken some important steps in the United States and Europe to prepare to take advantage of the growth in B2C," says UPS President, U.S. Operations, Myron Gray.

In Europe, UPS now has more than 12,500 Access Points, Paket Shops, and Kiala alternate delivery locations that offer customers more options. The company also is introducing UPS My Choice® in Europe this year to give consumers there more convenience and control over their deliveries.

"In the United States, we have a number of projects underway to do everything possible to ensure that we are ready this peak season," Myron adds. "In one district alone, Red River (Texas and Oklahoma), we have

Continued on page 6...

Emerging Opportunities



Amsterdam, The Netherlands

In the United States alone, e-commerce spend was
\$231 billion in 2012,
and it's expected to reach
\$434 billion by 2017

The UPS Access Point network in Europe
is expected to grow to more than
14,000 locations
by the end of 2014

UPS MyChoice® has nearly
9 million members

UPS's healthcare sector business has grown
by almost \$1 billion
since the launch of the company's first major
healthcare campaign

In 2020, spending power in Africa will be
\$1.4 trillion

...continued from page 5

16 projects underway to improve our sorting capacity and address other operations needs."

Create value

"You provided me a solution you didn't know you had," says Greg Hopkins, CEO and founder of Hopkins Golf. His is a new company made possible through an innovative UPS solution. The solution, which Greg says is changing his industry, involves UPS employees in Mira Loma, California, assembling, finishing, and distributing his golf wedges and other products so he can focus building a business rather than running an operation.

"I have asked you to do something you don't do," he adds. "My biggest challenge is you—because I'm asking UPS to go somewhere it's never gone before. But we're figuring it out together. You're also my biggest opportunity. Because without you, I don't have a company."

Alan Gershenhorn, UPS Chief Commercial Officer, says there are opportunities for UPS people to find potential customers like Greg Hopkins and create value for them in every part of the business. "How many young companies—startups like Hopkins Golf—think of UPS as a company that has a solution for growing their business?" says Alan. "We must always be finding ways to make the space we operate in larger."

Another industry that is rapidly changing—and presenting opportunities to create value for customers—is healthcare. "If you can get cash out of a machine on the street corner, why can't you get a prescription from your doctor?" says Rob Feeney, CEO and founder of MedVantx.

One of the innovations Rob's company is bringing to the healthcare industry is a kiosk that can dispense prescriptions in a doctor's office—increasing convenience and tackling an alarming statistic; he says 40 percent of prescriptions are never being filled after they are written. Rob is relying on UPSers to work with him to come up with innovative solutions that take advantage of UPS capabilities to challenge traditional ways of doing business.

"I think there's a huge role UPS can play in collapsing the supply chain and creating access to medications in a consumer-centric way," Rob continues. "For example, can we open up a home delivery pharmacy inside of Worldport®? There are 'disruptive' innovation opportunities for MedVantx and UPS—to create a completely new channel that does not exist."

"The ball is in our court," says Kurt. "We just have to take the base we've created and invest in it and innovate it. The needs of markets such as healthcare are changing very rapidly, and we have to keep moving with that change. How do we tackle B2C? How do we tackle global expansion in emerging markets? The future is in our hands." ■

Greg Hopkins tests one of his UPS employee-assembled custom golf clubs in Riverside, California.

Hopkins Golf: Made by UPS

UPSers help a start-up golf company wedge its way into changing an industry.

Greg Hopkins spent 30 years in the golf industry, 17 as CEO of a major manufacturer of golf clubs, where he helped his former company earn a reputation for the excellence of its wedges.

"Things were changing in my industry, things were changing in America, and things were changing in the world," says Greg. "And I realized if I didn't adapt my company, I was going to die as a company. So I found that it was easier for me to step out of my old role and start a new company."

Tomorrow's model

Greg envisioned a smarter, faster process for direct-to-the-consumer customized clubs. In his business model, a customer could go online and place an order for wedges made to exacting specifications—the perfect shaft lengths and weights and grinds and lofts. They would even be able to request customized logos, engraving, and preferred hand-fill paint colors.

"I needed an operation," Hopkins explains. "I needed someone else to do that because it's very capital intensive for me to build a factory and all the operations that surround it—in a seasonal business. UPS provided me the solution."

Greg arranged to meet with UPS at its logistics hub in Mira Loma, California.

"We held a marathon whiteboard session to set up an entire supply chain from scratch... for a company that didn't yet exist," says UPS Director of Enterprise Account Sales Greg Fischer. "And we had the advanced logistics on a central campus to handle it all."





Above: UPSers at the Mira Loma, California, logistics facility are part of the UPS team who handle Hopkins Golf's custom clubs from production to distribution. Together they help make this unique business model a reality.

The result was a new business model for the golf equipment industry, with UPS operations and UPS employees helping bring Hopkins Golf into existence.

A plan comes together

UPS and Hopkins Golf trained a team of UPS employees to assemble the customized clubs, including the work of engraving and stamping on names and logos. On busy days, they may handle orders for 100 or more clubs and have the staff to scale up as needed.

In June 2013, the first wedges came off the UPS assembly line—thanks to a finely trained six-person team. On days with heavy orders of 100 or more clubs, the team can be intensely engaged at every work station picking inventory, cutting shafts to length, engraving and custom-painting, adhering club heads, weighting, and fixing grips. On days with only a few orders,

just one or two UPSers build clubs while the rest of the team resumes their other distribution facility responsibilities.

"This UPS scalability makes the whole thing possible," says Greg Hopkins. "We have the ability to staff to demand, satisfying customers but avoiding the overhead that drives so many startups out of business."

UPS efficiency also allows Hopkins Golf to offer products at a lower price—at least 33 percent lower than golf wedges sold through available traditional channels. Further, delivery time for an order is reduced. By creating the wedges at a UPS facility, UPS can provide delivery within 48 hours or less.

So far, so great

Hopkins Golf is already starting to expand—to also offer full sets of irons and golf balls in addition to its customized wedges.

"I can focus on redefining a market," Greg adds, "and not focus on getting my 3.4 trillion variations built...getting them shipped properly, getting them warehoused, and controlling all the operational things that happen."

"UPS is allowing me as an entrepreneur to go and focus on my brand and focus on building my company. I can grow. I'm trying to change an industry."

Win Your Own Wedge!

You could win Hopkins Golf and UPS-branded merchandise. See a video of how the Hopkins Golf clubs come together at *InsideUPS Online* at UPSers.com. Find details on how to enter the prize drawing on the video page.



A Conversation with David

David Abney was named UPS's 11th Chief Executive Officer (CEO) in June and he officially begins his new assignment September 1. The 40-year UPSer from Greenwood, Mississippi, shares his perspective on his career, UPS culture, and the challenges ahead.



David Abney (l.) meets with South Atlantic District Part-time Preload Supervisor Kendric Love on a recent visit to the Pleasantdale Hub in Doraville, Georgia. Facing page: As part of the visit UPSers at the facility shared some of their perspectives about UPS with David.

Q: What brought you to UPS?

A: A friend of mine worked at the UPS center in Greenwood, Mississippi. I really didn't know what UPS did, but UPS paid more than a grocery store, and I was a freshman in college... so I came in and started working there.

It was a small center with a one-roller conveyor. You had package cars on the inside of the building and package cars on the outside of the building. There were 15-18 drivers along with three of us who loaded trailers.

Q: What made you stay?

A: Well, I originally wanted to be a history professor. It was probably within a year at UPS that I realized what a special place it was. The UPSers I worked with had taken an interest in me and, as we say, I got 'Brown Blood' about that time. And from that point forward, I knew I wanted to spend my career at UPS.

I started working at UPS as an 18-year-old kid—a part-time worker loading trailers on the evening sort. If I had been told that I was someday going to be the Chief Operating Officer or the CEO of UPS, I would never have believed it. There is no way that I could've imagined anything like that.

Q: You've worked in just about every UPS business unit over your career. What were some of your most memorable assignments?

A: For me, it's been a career-long training program. The assignment that sticks out the most from my early days was when I became the hub manager in Jackson, Mississippi. It was the first hub I'd seen and it was the largest UPS building I'd ever seen. It had eight unload doors and five run-out belts. We were probably processing 10,000 packages an hour. In context, Louisville today processes more than 400,000 an hour at peak capacity.

The assignment that really was a stepping stone for me was when I relocated to the Meadowlands Hub in New Jersey as a division manager. It was an example of how at UPS we take someone out of their comfort zone for their development. It put me in a place that was much, much bigger and more complex than I had ever experienced, and I learned and adjusted.

The assignment that really changed my perspective on our business—from being an operator to seeing the commercial and logistics side—was with Sonic Air. I managed that business unit following UPS's acquisition of the company in 1994. During that time, I realized the importance of retaining an entrepreneurial spirit, regardless of how large our company had become. That assignment also gave me exposure to international operations. And, the more I experienced the international side of our business—then and in assignments that followed—the greater my appreciation became of how UPSers must blend their local cultures with the company's core values.

But the point is not what I have done nearly as much as what UPS did to expose me to all these different experiences. We take people and give them those completely different experiences—and sometimes they don't know why. But in our culture, you go and do it, and you learn each step of the way.

Q: What can UPSers expect from you as CEO?

A: What people can expect to stay the same in the short term is our strategy. The members of the Management Committee, including me, have been involved in the strategy for many, many years. UPS is not a company where one CEO leaves, the next CEO comes in, and the strategy completely changes. We are confident in the future and our plan.

Now that doesn't mean the long-term strategy is going to stay the same, because the world is changing. Look at how the Business to Consumer (B2C) segment is becoming a much bigger part of our industry. That's having an impact on us, as well as the growth of emerging markets around the world. Technology is advancing in such rapid stages that we've got to accelerate



and continue to focus on it—not only from a customer solution standpoint but also internally. We also have a renewed focus on empowering our people to take care of our customers.

I want to make sure people understand they are valued—and that they are part of the solution.

So our strategy will evolve. But it's not going to change due to who is the CEO. If it were to change, it would be due to industry trends and it's going to be due to us staying ahead of the industry and ahead of our customers' needs.

Q: What do you see as the biggest challenge facing the company?

A: This is one of those unique situations where our biggest challenges are our biggest opportunities. B2C is certainly a big challenge, even bigger outside the United States because we don't have as much infrastructure in place. But the fact of the matter is that's where the world's going. And we

Continued on page 10...

"I want to hear from our people and our customers—to give them an opportunity to tell me what they are facing and seeing today—and then for us as a company to respond."

—David Abney

...continued from page 9

have to be there. It's a huge challenge for us, but it presents incredible opportunity.

An equally big challenge is in the emerging markets. We don't have a big presence there today. But that's not going to change the fact that the emerging markets are going to become a big part of the world's economy.

Q: As a company, how do we deal with how fast things are changing in business and the world?

A: This rapid change is not a new feeling. I remember in the early 1990s telling my region manager that I felt the business was changing much faster than we could keep pace...and look where we are today.

We have two choices. Are we going to keep up, or are we going to lag behind? If we lag behind, the future just doesn't look very bright.

So we have to embrace this new future. If we utilize technology and keep our people engaged and empowered and we go into these bold new markets and territories, then you'll see a much different future for UPS—and it is very bright.

We can't dictate the pace of change, but we can dictate our response. Sometimes we're going to make mistakes and need to learn from them and make adjustments.

I've embarked on what I am calling the 'Let's Talk' tour to get out there and listen to our people. I've been at the company for quite a while. I find that if you're not careful, what you know is only the way UPS used to be, or the way UPS was three years ago rather than what it's like today. I want to hear from our people and our customers—to give them an opportunity tell me what they are facing and seeing today—and then for us as a company to respond.

Q: You've talked about inspiring people. How do we do that?

A: As an example, I think back to a district manager I once worked for. He taught me that each of us has the potential to reach greater accomplishments than we think we can. And in the process, what he really showed me is that you have to find a way to be successful in spite of the circumstances in front of you, rather than allowing them to be a reason for not being successful.

We also have to keep reminding ourselves what makes UPS unique. It is the people here who have dedicated their lives and their careers to UPS. We just have to make sure that they know how special they are—and that they know that we know how special they are. ■



Read more about David and UPS's first 10 CEOs at *InsideUPS Online* at UPSers.com. The UPS Enterprise Strategy also is available for download on the site.

"I want to make sure people understand they are valued—and that they are part of the solution."

—David Abney



Package Handler Anna Hall processes a peak season package at Worldport in Louisville, Kentucky.



Drivers like Franck Potrin of Paris, France, are seeing firsthand the rise of e-commerce in Europe and around the globe—beyond UPS's traditional peak holiday season. And according to David Abney, B2C is an even bigger challenge for UPS outside the United States.

Serving America's

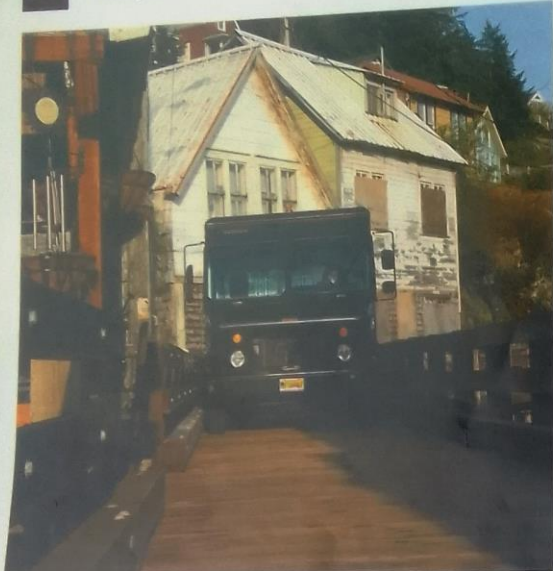
>>>>>> *Last Frontier* >>>>>>

In the small town of Ketchikan, Alaska, a place best known for its salmon, totem poles, and miles of steep, wooden "staircase streets," UPS Package Car Driver Tom Fowler recently became Alaska's first Circle of Honor member. He also represents one-third of his center's workforce. On the following pages, he and his team provide a glimpse of how UPS operates in America's last frontier.

Continued on page 12...

Totem poles at Saxman Native Village
near Ketchikan, Alaska

» People



Tom Fowler navigates one of Ketchikan's famously narrow, wooden roadways.



(L-r.) Ray Franklin, Tim Philippi, and Tom Fowler review a safety demonstration about staying alert while driving during a visit with their center manager, Doug Berry.

With an area population of around 13,000, Ketchikan is the southeastern-most city in Alaska—located on a mountainside in the Tongass National Rainforest. This remote island, about 700 miles from Seattle, is accessible only by boat or plane. It's a bustling tourist destination for cruise ships during the summer months—bringing in as many as 1,600 visitors per boat on any given day.

Ketchikan also stakes claim to many unique features. It's recognized as the "Salmon Capital of the World," is home to the world's largest collection of standing totem poles, and receives on average more than 150 inches of rain per year. It also has miles of stairs, many of which are considered streets, navigating the town's steep terrain.

While these distinctive characteristics add to Ketchikan's charm, many of them make being a package car driver a challenging job.

All part of the job

"It's a tough job to lug someone's computer up 200 steps, but we enjoy it," says Tom Fowler. "We like to see the view at the top."

Tom is one of three drivers in the Ketchikan center, along with Ray Franklin and Tim Philippi. Together they run the operation—from taking a ferry to the local airport to pick up the day's packages to sorting their own packages, to making deliveries. They also can fix the locks, toilets, computers, and even their package cars when necessary.

"The team is indispensable," says Doug Berry, Manager, UPS Extended Centers, Alaska. "If one goes on vacation,

the other two are there to take care of it all. There's a lot of self-direction, and they make decisions that are good for the team, the customer, and ultimately UPS."

Because of Alaska's sheer size and remoteness, most UPS centers outside of Anchorage are driver-sort-and-load operations like Ketchikan. Doug's territory, which also includes Fairbanks, Homer, Juneau, Kenai, Kodiak, and Sitka, serves a landmass larger than Texas with only 45 drivers.

"There's no other people to help—we do it all ourselves in these small centers," says Tom. "If you throw in a weather delay and fall behind, it's up to you to make up the difference."

The challenges of Ketchikan

Weather plays a huge role in Ketchikan's daily life, bringing in continuous cycles of rain, snow, and freezing rain often referred to as the "breakup." The town also sees gusty, hurricane-force winds that could blow over a package car and dangerous ice, which can cause a parked vehicle to literally slide away.

"We go through a lot of tire chains," says Tim. "We're always dealing with wet. We really have to be careful." In addition to the weather and the terrain, the summer brings tourists—thousands of them. The town's economy depends on them, but they create safety hazards—from a driver's perspective.

"They are everywhere," says Ray, "and you have to watch out for them because they are not watching out for themselves."

Tom says it's easy to get distracted, but safety remains

"In this community, UPS is our link to the outside world. Without that, we'd be just another island in the North Pacific."

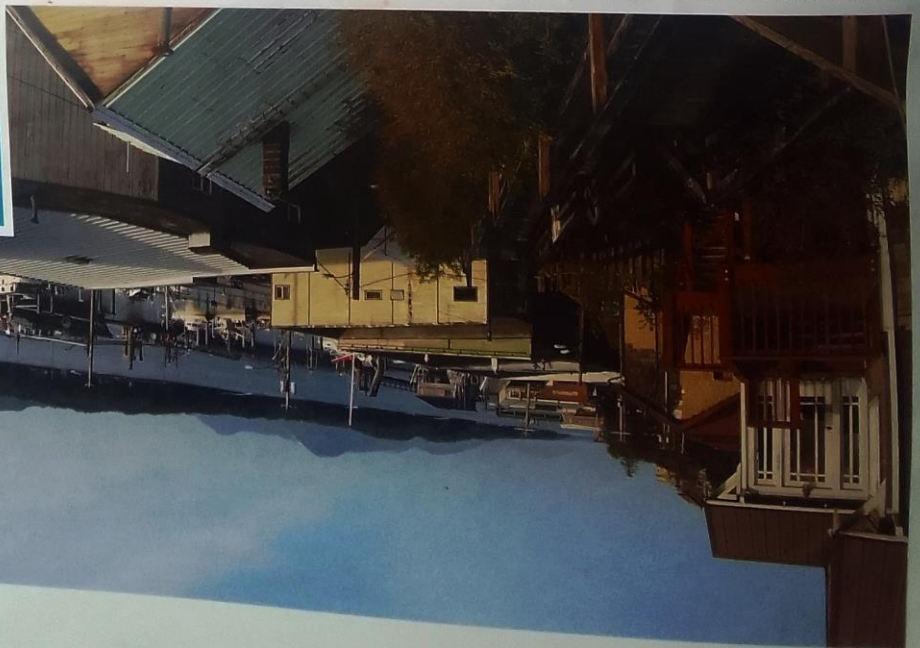
—Ketchikan customer Ray Troll, owner of Soho Coho



Tom makes a delivery on one of Ketchikan's staircase streets.

135
2. 10/10/14
REV
OVER
CHILD
KILLING
TO LIE
WANTS
PERSONAL

A rare sunny day in Ketchikan reveals southeastern Alaska's mountain skyline, representing the gateway to America's last frontier.



his number-one priority—keeping himself, his vehicle, and the people around him safe. “The training I acquired from previous occupations has only been reinforced by UPS,” he explains. He also transfers what he’s learned into his private life. “I get a lot of flack from the ones I love, but I don’t mind because it’s keeping them alive and safe. And, I won’t stop doing that.”

Service is King

Tom, Ray, and Tim are keenly aware that they serve as a vital lifeline to the people who live in these remote communities, and they treat every package like a priority. “People are paying an awful lot of money to get this stuff here,” says Tom. “Many of these small communities have no connection to the outside world. UPS operating in the state of Alaska has allowed people to have a higher level of reliability than they’ve ever dreamed of.”

In Ketchikan, there are never packages left behind in the center—everything is loaded on the package car and delivered because there’s no one else to clean them up. What’s more, Tom knows all his customers by name—where they live and where they work. “Delivering in a small town, you really get to know the people you deliver to,” he says. “You know that if it’s a Wednesday, one specific customer is probably off at another place, so you take the package there

“Every delivery outfit in the world delivers packages, but not every one delivers service. There’s a big difference. Service is doing the right thing every time. It builds reliability, and reliability builds customers.”

—Tom Fowler,

Ketchikan Package Car Driver

instead. You can’t do that in big cities. There’s no hiding from UPS in Small Town, Alaska.”

And it works both ways. “There’s no one else that the customers are going to complain to if the service isn’t good,” adds Doug. “They’re going to be talking to the same drivers that brought them the package. These guys are the UPS brand in Ketchikan.”

See more on Tom and the Ketchikan team—find their video at [insideUPS Online](#) at [UPSers.com](#).



Alaska's Safest UPS Driver

Tom Fowler’s commitment to safety recently earned him the distinction of being Alaska’s first and only Circle of Honor driver earlier this year. It’s a tremendous achievement under any driving conditions, let alone the ones found in Ketchikan. But, Tom is humble about his accomplishment. “There’s a lot of good drivers in Alaska doing the same hard job,” he says, “but through the luck of me starting with UPS when it first came to Alaska, and me paying attention and being safe, I’ve been able to achieve it.”

While Tom, who before UPS held careers as an aviator and a commercial fisherman, spends his spare time as a poet, actor, playwright, power lifter, marathon runner, trail runner, mountain racer, ocean swimmer, hiker, fisherman, and hunter. He even built his own house.

“You need to have another life,” says Tom. “As much as I enjoy the job, I need a release. I come in, and I try to make the person I’m delivering to feel better about their day. Poetry, acting—all these different things in my life help me do that for the customer.”

“I find joy in just about everything I do,” continues Tom. “I’ve traveled all over the world, but I’ve always really enjoyed Ketchikan. I don’t think I could ever leave Alaska.”

A heart of gold

Following the example of the Rev. Dr. Martin Luther King Jr., Tony Heath has dedicated his life to helping the least, the lost, and the left out. His steadfast commitment to serving those in need has earned him the 2014 Jim Casey Community Service Award.



"I just want to help people," says Tony Heath, a 25-year UPSer who now works as a Community Relations supervisor in the Chesapeake District.

In 2008, Tony and his family joined the congregation at Macedonia Seventh-Day Adventist Church in Chester, Pennsylvania—an hour away from his home in Vineland, New Jersey. The reason? Chester is the second hungriest city in the United States and the poorest in Pennsylvania. Its poverty rate is a devastating 36 percent, unemployment hovers at 13 percent, and at times, the high school dropout rate hits 50 percent.

Already downtrodden, Chester doesn't even have a grocery store to serve its 30,000 residents—many of whom cannot afford a car to travel elsewhere for food.

"Not having a supermarket in the city makes it a huge challenge just for people to get canned goods," explains Tony. "We came in, engaged this community, and are helping it get back on its feet."

A metamorphosis

In addition to serving as an elder, board member, motivational speaker, and leader in his church, Tony also co-founded the Better Living Center—a nonprofit organization housed in a renovated

church building—which is dedicated to helping the residents of Chester improve their lives.

"When Tony came to our church, I could just see something about him—he's just got a passion for people," says Nina Munn, Program Coordinator for the Better Living Center. "He said, 'Why don't we take this building, renovate it, and make it a center?' And that's how it all got started."

As a result of Tony's efforts, UPS donated computers for the center's technology lab—helping students complete their schoolwork and adults search for employment. The center also provides health resources, after-school tutoring, housing referrals, and a food pantry, as well as private counseling and crisis intervention services.

"We call it the Better Living Center and our logo is a butterfly," says Tony. "We're trying to facilitate a metamorphosis for the people in the community from where they are—to something greater."

Transforming lives

Tony's work extends well beyond the Better Living Center to care for his community's homeless. He makes regular visits to a "tent city" near Camden, New Jersey—where people live

See more of Tony's story—find the video at [InsideUPS Online](http://InsideUPSOnline.com) at UPSers.com.



Below: This "tent city" in Camden, New Jersey, is one of the many places where Tony Heath provides help to people.

Left: Tony visits with a family outside the Chosen 300 Ministries.



Through the help of Tony and his family, the Better Living Center is a place where the community can receive help with basic needs, including using a computer to improve skills or find employment.

in makeshift tents—to ensure they have enough food, blankets, and propane to survive the cold months.

Tony also is actively involved with Chosen 300 Ministries in Philadelphia, which is a nonprofit agency that provides resources, services, and more than 100,000 meals to the city's homeless. Tony, in fact, even organized a group of church members who regularly travel a significant distance to help distribute meals.

"This is something Tony does all the time," says Brian Jenkins, Executive Director, Chosen 300 Ministries. "He's really made this part of his life and has been very helpful in bringing volunteers down to distribute over 100,000 meals a year throughout the Philadelphia region. It's exciting to see people's lives being touched."

A sense of community

Tony also has a passion for helping young people succeed. He serves on the boards of several other community organizations, including the Lou Williams Foundation, which the NBA player started to positively impact young men and women ages 10-18. He also volunteers with Lou Williams's summer camps in Atlanta and Philadelphia.

"Tony can go out, speak to a homeless person on the corner, train a driver on how to use a DIAD during the holidays, or deliver packages in Texas after an ice storm," says Chesapeake District Manager Jill Schubert. "He's really the total package. And with that comes a sense of community—whether he's in Houston, Philadelphia, or in his backyard."

Ever humble, Tony says that he just wants to help people because everyone deserves a second chance. "It's because people are living on the streets without shelter," he says, "because little girls are being taken advantage of in their homes...because families with one big financial blow are struggling to buy food...because soldiers who fought overseas for our safety are now left to fend for themselves.... Our everyday society has forgotten someone in need."

"I ask that you remember there are people out there who need us," Tony continues. "Never think that doing even a little bit is not worth it. Your little bit can become so much to someone in need." ■



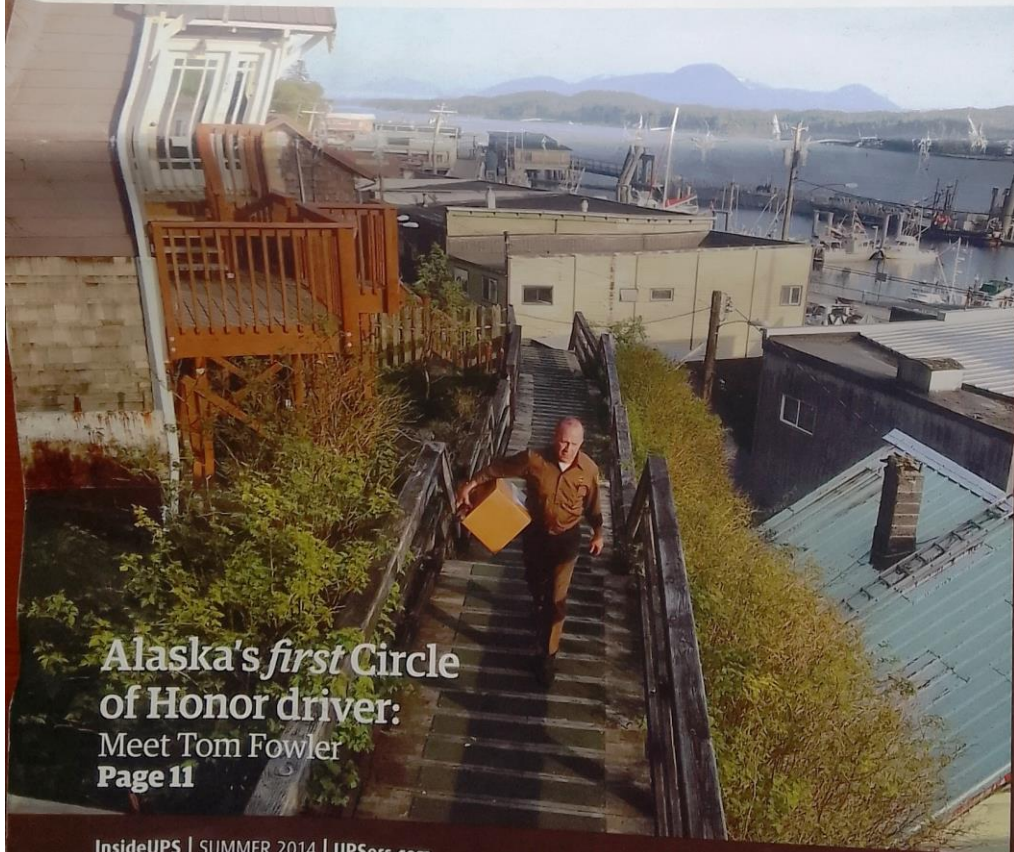
InsideUPS

SUMMER 2014 | UPSers.com

@UPSers on Twitter

© 2014 United Parcel Service of America, Inc. UPS, the UPS brandmark, and the color brown are trademarks of United Parcel Service of America, Inc. All rights reserved.

Printed on recycled paper in the USA



**Alaska's first Circle
of Honor driver:**
Meet Tom Fowler
Page 11

InsideUPS | SUMMER 2014 | UPSers.com



8

A conversation
with **UPS's next
CEO** David Abney